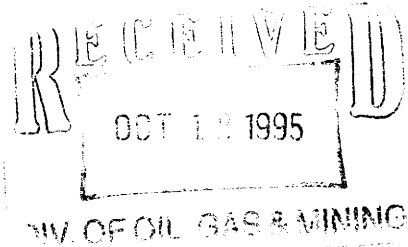


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IN AND BEFORE THE UTAH STATE DIVISION
 OF OIL, GAS, AND MINING

IN RE: 5-YEAR PERMIT RENEWAL,
 CO-OP MINING COMPANY,
 BEAR CANYON MINE,
 EMERY COUNTY, UTAH

)
)
) OBJECTIONS TO
) PERMIT RENEWAL AND
) REQUEST FOR
) INFORMAL CONFERENCE
)
)
) ACT/015/025
)

Castle Valley Special Service District, North Emery Water Users Association and Huntington-Cleveland Irrigation Company, (collectively "Water Users") as parties adversely affected by the proposed permit renewal to mine the Bear Canyon Mine (ACT/015/025), by and through counsel, hereby submit their objections to the renewal of Co-Op Mining Company's ("Co-Op's") permit and request an informal conference.

OBJECTIONS

The grounds for objection are as follows:

1. Water Users have a vested right to use the water of springs located in close proximity to Co-Op's mining operations, including Big Bear Canyon and Birch Springs, for culinary and irrigation purposes.

2. Co-Op has failed to fully comply with the terms and conditions of its permit and the standards provided in the state program. For instance, over the past five years, Co-Op has been cited for violations of requirements dealing with mine openings, subsidence, runoff containment, waste removal, and water monitoring. Such omissions and failures endanger the water sources of Water Users.

3. Co-Op's current permit does not include measures, terms and conditions adequate to protect water sources in the Bear Canyon Mine area and to remediate whatever harm to these water sources it may cause. Renewal, if allowed by the Division of Oil, Gas and Mining, must provide for adequate maintenance, testing, exploration, protection and remediation, and must include additional terms and conditions designed to protect and provide for immediate replacement of these sources if necessary.

4. The Division of Oil, Gas and Mining has authority to require additional information under R645-303-232.250.

5. Co-Op must provide and the Division of Oil, Gas and Mining should require more specific information regarding Co-Op's mining operations, actual hydrologic consequences of mining, and in-mine activities over the past five years.

6. Water Users request an inspection of the operations with their experts and a review of all data accumulated by Co-Op, whether submitted to the Division of Oil, Gas and Mining or not.

7. The amount of insurance, letters of credit and performance bonds are insufficient to cover the potential liability of Co-Op for damage to Water Users' water supply and sources.

8. Co-Op's mining operations in the past have had, and if allowed will continue to have, hydrologic consequences outside the permit area by adversely and permanently impacting water quantity and quality flowing from Big Bear Canyon and Birch Springs.

SUMMARY OF ISSUES TO BE RAISED AT INFORMAL CONFERENCE

In addition to the issues raised above, Water Users will discuss the following issues at the conference.

1. Water Users intend to present evidence, including expert testimony, that continued mining operations will adversely impact water quantity and quality in the aquifers supporting Big Bear Canyon and Birch Springs.

2. Water Users intend to present evidence that Co-op Mining has repeatedly violated the terms and conditions of its permit and state program standards and that it has acted with disregard to Water Users' welfare.

3. Water Users intend to argue that the operations of Co-Op have had adverse hydrologic impact, have resulted in a modification of the historic water flow patterns tributary to the water sources and that they have interfered with historic flow patterns. of water sources of Water Users.

4. Water Users intend to argue that the existing permit

contains inadequate safeguards to ensure protection of the water sources after mining has ceased.

5. Water Users intend to argue that pollution of water sources of the Water Users is created by the mining operations of Co-Op and that inadequate safeguards exist to prevent this.

6. Water Users intend to argue Co-Op Mining is not entitled to an automatic five-year renewal or, at a minimum, that the permit must be changed or modified, if it is granted at all.

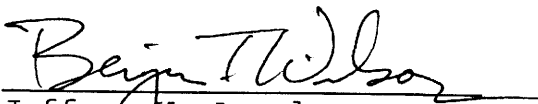
7. Water Users intend to argue that additional test wells, drill holes and monitoring methodology and equipment should be emplaced to ensure protection of the water sources and compliance with state and federal law and regulation.

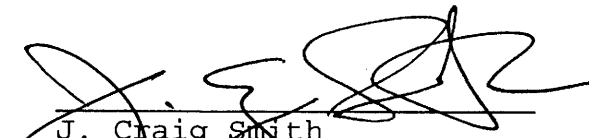
8. Water Users intend to argue that if renewal is allowed, that the permit be changed or modified to include adequate provisions for maintenance, testing, exploration, protection and remediation, and include additional terms and conditions designed to protect and provide for immediate replacement of water sources if necessary.

DATED this 12th day of October, 1995.

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